

Raytheon ... Who We Are













We are ...

- A Customer Focused Company that places the highest value on People, Integrity, Commitment and Excellence
- 2005 Sales: \$21.9 billion
- More than 80,000 employees worldwide
- Headquarters: Waltham, Massachusetts

Our Vision

 Be the most admired defense and aerospace systems supplier through world-class people and technology.

Raytheon ... What We Do









A world leader in technology-driven solutions that provide customers with integrated mission systems

- Raytheon is an industry leader in:
 - Defense, government and commercial electronics
 - Space
 - Information technology
 - Technical services
 - Business aviation and special mission aircraft
- Raytheon provides integrated mission systems to meet the critical defense and non-defense needs of its customers

Raytheon ... Who We Serve













Our Customers are men and women in uniform, pilots and their passengers, and our partners in government agencies and industries.

Customer Focus Drives Growth



- Performance Promises made, promises kept.
- Relationships Listen, anticipate, respond and follow through with our Customers, partners and each other.
- Solutions Develop and provide superior Customer solutions, working as One Company.

Markets Align with Customer Priorities





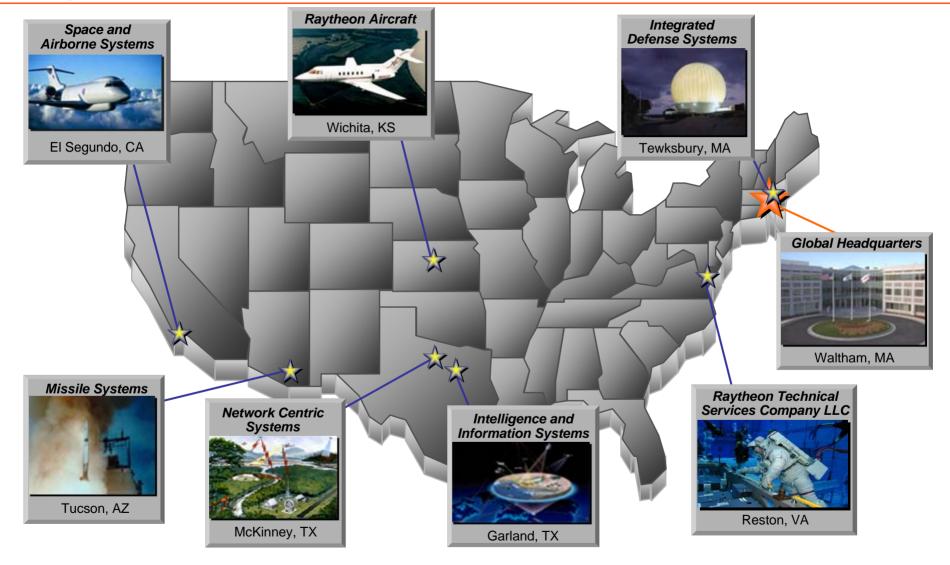




- Missile Defense
 - Enable any sensor, any shooter
- Intelligence, Surveillance and Reconnaissance
 - Enabling decision superiority
- Precision Engagement
 - Joint...speed...effects
- Homeland Security
 - Knowledge-driven security

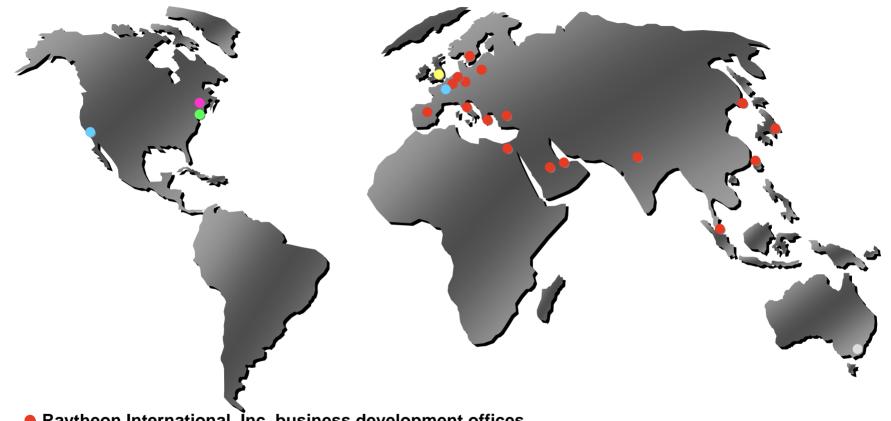


Raytheon Business Headquarters



80,000 employees; 2005 Revenue: \$21.9B

A Global Presence



- Raytheon International, Inc. business development offices
- Raytheon International, Inc. business development headquarters
- **Raytheon Systems Limited**
- Raytheon Australia Pty. Ltd.
- Raytheon Canada Ltd.
- **Thales Raytheon Systems**

Raytheon Supplier Diversity

Raytheon's "Supplier Diversity" Program is designed to drive supplier source selection strategy and ensure compliance with:

- Public Law
- Federal Acquisition Regulations
- Customer Requirements
- Company Policy

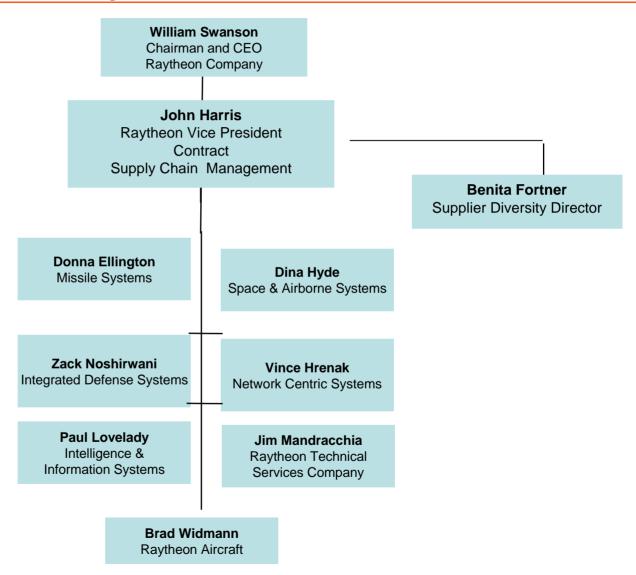
concerning the utilization of businesses that are:

- Small
- Small Disadvantaged
- Woman Owned Small Businesses
- Veteran and Service-Disabled Veteran Owned Small Businesses
- Small Businesses meeting Hub Zone Criteria (historically under-utilized)
- Historically Black Colleges, Universities and Minority Institutions
- Minority and Women-Owned Businesses



Supplier Diversity Executive Council

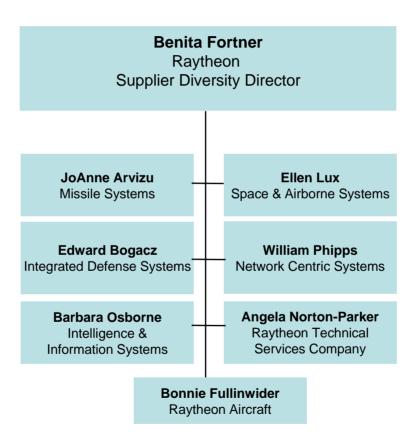
Organize to support Supplier Diversity Objectives





Supplier Diversity Leadership Team

...and assign Staff to develop and Execute initiatives





Supplier Diversity Strategic Plan

- Road map to inclusion of suppliers that meet diversity category certification requirements
- Key Certifications
 - CCR / ProNet
 (SB, WOSB, SDV, Veteran / SDB, Hub Zone,)
 - NMSDC (MBE)
 - WBENC (WBE)



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Bill Swans Chairmen and CE

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VI. Supplier Diversity Initiatives and Future Innovations

The following initiatives have been identified to support the strategies and accomplish the objectives established for Raytheon's Supplier Diversity Program.

Minority-Owned Business Initiatives
Working with hey minority suppliers and
minority business advocacy gouge, Raytheou
will establish a joint Baytheon/Supplier
Minority Business Advisory Council. The
council will meet a minimum of once a year
and discuss issues, activities, and business
trends that impact the minority business
community.

Women-Owned Business Initiatives
Working with key women-owned businesses,
Raytheon will establish a joint Raytheon/
Supplier Women's Business Advisory Council.
The council will meet a minimum of once a

year and discuss issues, activities, and business trends that impact the women-owned business community.

In addition, the following actions will be taken to enhance opportunities for minority and women-owned businesses.

- Facilitate minority and women-owned business presentations with Raytheon Program, Engineering, and Strategic Procurement Teams
- Develop and document a process for inclusion of minority and women-owned businesses to participate with Raytheon on contract proposal activities

Mentor Protégé Agreements

In cooperation with individual business leadership, program offices and supply chain leadership, the Supplier Diversity business leaders will target Raytheon Mentor Protégé participation in response to customer requirements and mentor protégé funding.

Mentor Protégé agreements will be pursued to increase supplier diversity opportunities, satisfy customer requirements and provide a compeditive advantage for Raytheon, where applicable. The following actions will be taken to support Raytheon's Mentor protégé activity:

- Work with program offices and engineering to assess the opportunity for mentor protégé agreements based on key commodities and technology needs
- Develop and deploy a standardized marketing strategy to maximize the subcontracting opportunities for all protégé companies

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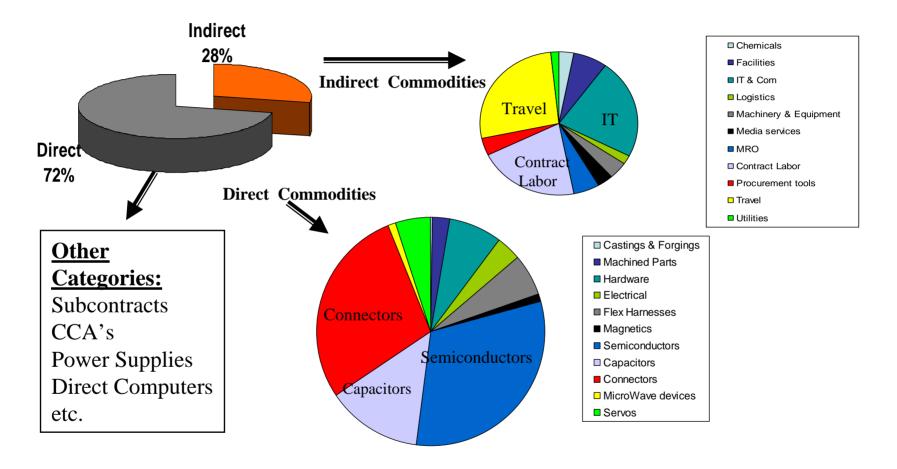
Supply Chain Strategies

Utilization of tools and techniques to reduces costs associated with inventory and supplier performance management

- Integrated strategic sourcing teams / Supplier consolidation
- E-Enabled business transactions
 - Internet-based transactions
- Inventory Management Processes
 - Barcode technology
 - Just-in-time deliveries from suppliers
 - Supplier managed inventory
 - Warehouse management outsourcing
- Supplier performance management
 - Supplier scorecards
 - Web based supplier communications



Sourcing Opportunities





Indirect Commodity Agreements

Art/Computer Graphics/Text Processing

Chemical & Gas Management

Color Film Processing

Computer Hardware/Software

Consultants

Contract Labor

Copier Paper/Fine Paper

Copiers & Print Services

Energy Brokering

Express Air - Domestic

Express Mail - International

Facilities Services

Faxes

Flight Operations Services

Food and Vending Services

Forms

Freight Payment - 3rd Party

Fuels & Oils

Furniture

General Construction

Graphic Supplies

Hazardous Waste & Environmental

Household Goods Transportation

International Freight Forwarding &

Brokerage Services

Janitorial Supplies

Lease/Purchase Vehicles

Lithography

Manufacturing/Laboratory Supplies

Office and Computer Supplies

Packaging Supplies

Professional Services-Health & Welfare

Purchasing Card

Reprographics

Security

Software Development

Solid Waste Management and Recycling

Supplies & Services/Video Services

Telecommunications - Cell Phones

Telecommunications - Pagers

Telecommunications Long Distance Voice

Test Equipment

Test Equipment Calibration

Test Equipment Rental

Transportation Logistics



Direct Commodity Agreements

- Castings
- Chemicals & Gases
- Connectors
- Electrical Products
- Guidance and Controls
- Hardware and Bearings
- Machining
- Major Assemblies
- Manufacturing Lab Supplies
- Packaging Suppliers
- Wire & Cable

- Microwave Devices
- Optics
- Outside Services
- Passive Devices
- Power Supplies
- Propulsion Warheads & Pyrotechnics
- PWBs / CCAs
- Semiconductors
- Test Equipment

Supplier Performance Requirements

- Excellent Products and Services
- Competitive pricing
- Leading edge technology
- Advanced processes in manufacturing / delivery / service / customer service
- E-enabled business processes
- Process / Quality Certifications
 - ISO 9001 (2000 Release)
 - Compliance for general commodities
 - Certified for flight and mission critical hardware
 - AS9100
 - Higher level requirement for aerospace
 - (84 additional requirements program product specific)
 - Air frame manufacturers (prime requirements)



Supplier Diversity Focus Areas

Traditional Small Business Categories

- Small, Small Disadvantaged, Women Owned
- Historically Black Colleges Minority Institutions

Newer Small Business Categories

- Hub Zone Certified Small Businesses
- Veteran Owned Small Businesses
- Service Disabled Veteran Owned Small Businesses

Comprehensive Subcontracting Plan Initiative Areas

Native American / Tribal Owned Businesses



Veteran Small Business Initiatives

Veteran and Service-Disabled Veteran Small Business Initiatives in Comprehensive Small Business Subcontracting Plan

- Mentor Protégé and Technical Assistance Programs
- Raytheon Six Sigma for Suppliers / Supplier Development
- Small Business Innovative Research Critical Technologies
 - Enhanced Manufacturing Processes
 - Service Support Innovation
- Small Business Technology Transfer
 - Historically Black Colleges, Universities, and Minority Institutions
 - Research and study requirements
 - Mentor Protégé technical assistance providers
- Customer and Industry Conferences / Raytheon Conferences workshops Supplier Days
- Raytheon Supplier Diversity Web Site



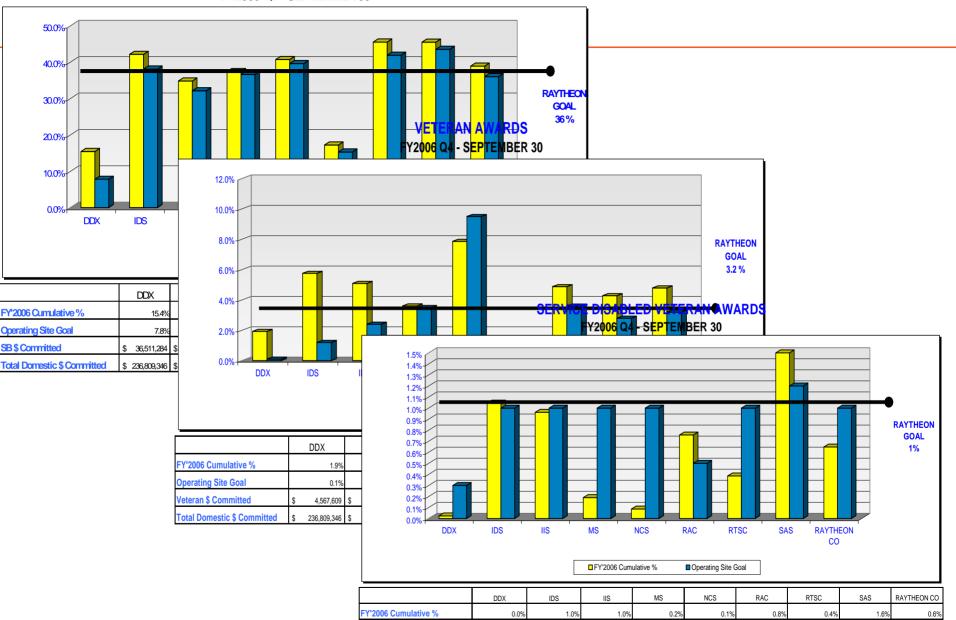
Changing Role of Suppliers

- Develop customized value proposition
- Shorter and more reliable supply chain

Both approaches refocus source selection from price to total value.

Raytheon

FY2006 Q4 - SEPTEMBER 30



0.3%

55,813

1.0%

5,859,028

1.0%

1,966,831

1.0%

1,853,244

1.0%

606,178

0.5%

1,424,945

1,034,198

Operating Site Goal

SD Veteran \$ Committed

Total Domestic \$ Committed



Veteran Business Successes

Network Centric Systems

 Small business inclusion plays significant role in US Army Aviation Command and CECOM competition for the Multi-Mode Aviation Radio System (MARS). small and SDB - SDV businesses accounted for approximately 45% of the total contract value.

Missile Company

- Veteran-Owned Small Business Key to the success of Raytheon Missile Systems competing in the projectile market, Key to the success of Excalibur, holds a 99.5% 12 month SRS rating with over 10,000 parts delivered
- Named Regional III "Subcontractor of the Year" during the 2006 National Small Business Week. RMS

Intelligence and Information Systems

Small veteran-owned business, provides the Leading Edge Analysis and Display System (LEADS) for several weather programs played a significant role in IIS's award of the Joint Environmental Toolkit (JET) program. Raytheon won this program with LEADS as a key component of our system. Our Weather Data Analysis Capability (WDAC) program at the Air Force Weather Agency systems at Offutt AFB, also incorporates LEADS as the key component of the Standard Forecasater Toolkit.

Space and Airborne Systems

- Service disabled veteran owned business awarded mail room outsourcing contract
- Service disabled veteran owned business awarded multi-year construction and facilities contract

RTN Company Wide Agreement

Electronic Components agreement

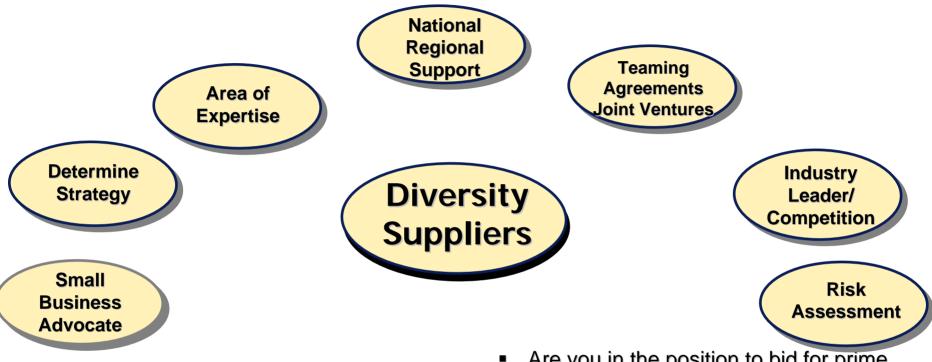


RTSC - Team Carrier 21 and Partners





Supplier Diversity Planning Process



- Work with Small Business advocate to clarify requirements.
- Company / Regional Agreement Program Specific Requirements
- Identify/highlight your areas of expertise and map to target company
- Utilize existing or develop strategic alliances

- Are you in the position to bid for prime contracts with the right Teaming Agreement?
- Research industry competition. Am I a leader in this field? Who held the last contract?
- Can you afford (time, money, technology) to pursue this business?



Supplier Diversity Registration and Contacts



Raytheon

SUPPLIER DIVERSITY PROGRAM CONTACT POINTS

Listed below are the Supplier Diversity Program contact points for Raytheon Company. This natwork of administrators will help assist small disadvantaged, and woman-owned small businesses become acquainted with Raytheon procurement requirements.

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● Edward A Bogacz - (Business Unit Leader)	◆ Tony E. Forrest
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Forlandos Davis	♥ Eileen Royer
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Jo Anno Arutzu - (Frutness Unit Leader)	
TU/M72/R28, P.O. BOX 11337, Tueson, AZ, 85734	
Phys: 520-663-9790 Fee: 520-663-6389	
jnavizu@sytkeon.com	



Raytheon Veteran Events

Send email to:

bfortner@Raytheon.com

Company Name, Address, Email Address
Web Site Address, NAICS Code
Indicate interest in attending Veteran Supplier Fair

